Accountability Report
2014–2015

Department of Agriculture

NOVA SCOTIA

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Accountability Statement

The accountability report of the Department of Agriculture for the year ended March 31, 2015 is prepared pursuant to the Finance Act and government policies and guidelines. These authorities require the reporting of outcomes against the Department of Agriculture Statement of Mandate for the fiscal year just ended. The reporting of the Department of Agriculture outcomes necessarily includes estimates, judgments and opinions by department management.

We acknowledge that this accountability report is the responsibility of Department of Agriculture management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the department's 2014-2015 Statement of Mandate.

Honourable Keith Colwell, E.C.N.S.
Minister

Kim MacNeil
Deputy Minister

Message from the Minister

I am pleased to present the Department of Agriculture accountability report for 2014-2015.

The Department continued to support the long-term growth and prosperity of Nova Scotia's agriculture and agri-food industry through investments in innovation and improved farm practices. As well, increasing Nova Scotians' consumption of locally-grown and produced food and agricultural products and the value of exports remains a priority for the provincial government.

Investments through the five-year $37 million Growing Forward 2 initiative, which is cost shared with the federal government, continued to support innovation and market development for key segments of the agricultural sector such as blueberries, the wine industry and agri-food exports. Growing Forward 2 is entering its third year and we look forward to profiling success stories from its programs.

Select Nova Scotia continued to support consumer awareness of choosing and buying local products through its marketing ad social media activities during 2014-15. A major success was the food truck rally sponsored at the 2014 edition of the Devour! Food and Film festival which attracted a global audience.

The Department took further steps to strengthen animal protection laws with new standards of care for companion animals finalized and implemented in 2014-15. This represented a significant collaboration between government, stakeholders and the public who submitted comments and suggestions on the draft standards.

I encourage Nova Scotians to look for quality Nova Scotian food and agricultural products in their local communities and visit the department's website at www.novascotia.ca/agri to learn more about the ways we are supporting the success of our agricultural sector.

Honourable Keith Colwell, E.C.N.S.
Minister of Agriculture

Financial Results

Agriculture

	2014-15 Estimate ($thousands)	2014-15 Actual ($thousands)
Senior Management	513	528
Policy and Corporate Services	42,780	56,160
Agriculture and Food Operations	17,675	16,428
N. S. Agricultural College	0	0
Total Gross Departmental Expenses	**60,968**	**73,116**
Additional Information		
Other Fees and Charges	(1,663)	(1,582)
Ordinary Recoveries	(6,262)	(4,422)
TCA Purchase Requirements	5,835	5,192
Provincial Funded Staff (FTEs)	**215.63**	**197.03**

Measuring our Performance

Environmental Stewardship

PERCENTAGE OF REGISTERED FARMS WITH AN ENVIRONMENTAL FARM PLAN (EFP)

The department provides funding to help reduce the environmental impact of farming. The EFP helps address government priorities for soil enhancement, water quality and quantity, and energy efficiency.

WHAT DOES THE MEASURE TELL US?

This measure shows the percentage of registered farms in Nova Scotia participating in the EFP program and compares it to the target set for this fiscal year and the value of the previous fiscal year. This percentage is based on approximately 2,550 registered farms, approximately half of which are full-time, commercial operations. The majority participating in the EFP are full-time, commercial operations.

WHERE ARE WE NOW?

As of May 2015, 69 percent of farmers in the province had completed the EFP. This is up from 67 percent the year before. Some sectors have 100% participation rate. On-going promotion and education of the program continues leading to increased uptake and requests for renewals. As of the end of April 2015, there were a total of 1,767 farms that completed original EFP reports, which is up from 1,736 farms at the end of the previous year. In addition, 135 follow up EFP's were completed, to date 874 farms have completed follow-up EFP renewals.

The percentage of registered farms in Nova Scotia participating in the EFP program in 2014-15 is lower than the target of 75 percent. The target of 75 percent may not be attainable due to the nature and diversity of farms that are registered. Those registered, but not full time and commercial in nature, may not see the benefits of an EFP to their operation. Small scale farms, especially those with an income of less than $10,000.00, and farms that are operated on a part time tend to have a lower incentive to complete an EFP.

WHERE DO WE WANT TO BE IN THE FUTURE?

There are considerable efforts planned to continue to increase the number of farms participating in the EFP program. The department will continue to work with the Nova Scotia Federation of Agriculture to improve the delivery model for this program. There will be on-going analysis of the environmental farm plan database to support the determination of specific issue or place based programming that may be required to make further improvements. There is a partnership with ThinkFARM to help smaller farm operations understand the benefits of the program and there will be promotion of EFP as part of the upcoming Small Farm Expo being held in July.

AGRIINVEST PARTICIPANTS MARKET REVENUES AS A PERCENT OF TOTAL FARM INCOME

AgriInvest is a government / producer cost-shared initiative to protect farm businesses against income losses. The program contributes 1 percent of the producer's commodity net sales. Participation for producers is voluntary, with the federal and provincial governments and producers paying into a deposit account.

WHAT DOES THE MEASURE TELL US?

This measure tells us the amount of farm revenues in the province protected against small income declines through BRM programming. It compares the actual percent of market revenues protected through AgriInvest to the target set for this fiscal year. It also compares this fiscal year to that of the previous.

WHERE ARE WE NOW?

Sixty-nine percent of market revenues were protected in 2014-15, up from 61 percent the year before. This is higher than the target for this fiscal year of 65 percent.

WHERE DO WE WANT TO BE IN THE FUTURE?

The department would like to maintain this level of participation in the program.

AGRISTABILITY PARTICIPANTS' MARKET REVENUES AS A PERCENT OF TOTAL FARM INCOME

AgriStability is a government/producer cost-shared initiative to protect farm businesses against income losses greater than 30 percent in a given year. Producer participation is voluntary, with producers paying a fee to participate and the federal and provincial governments cost sharing the losses.

WHAT DOES THE MEASURE TELL US?

This measure tells us the amount of farm revenues in the province protected against large income declines through business risk management (BRM) programming. It compares the actual percent of market revenues protected through AgriStability to the target set for this fiscal year. It also compares this year's value to that of the 2013-14 fiscal year.

WHERE ARE WE NOW?

Forty-five percent of market revenues were protected in 2014-15, up from 41 percent from the previous year. This is higher than the target for this fiscal year of 50 percent.

WHERE DO WE WANT TO BE IN THE FUTURE?

The department would like to maintain this level of participation in the program.

TOTAL PRODUCTION INSURANCE COVERAGE

The Nova Scotia Crop and Livestock Insurance Commission supports the growth and development of primary agriculture by providing insurance products to insured producers that offer coverage for specific production declines resulting from natural perils.

WHAT DOES THE MEASURE TELL US?

This measure shows the amount of insurance coverage purchased by Nova Scotia's agriculture industry under the AgriInsurance program and compares it to the target set for this fiscal year and the value of the 2013-14 fiscal year. This measure is an indicator of the amount of production risk Nova Scotia farmers transfer through insurance products that enable them to reduce their financial risk associated with reduced crop yields or production losses caused by insured natural perils. Lowering the risk of loss from natural perils, which are outside their control, allows producers to stabilize their farm incomes, improve their cash flow and profitability, and contributes to increased economic growth and jobs in rural communities.

WHERE ARE WE NOW?

The Nova Scotia Crop and Livestock Insurance Commission carried $168.2 million in AgriInsurance coverage in 2014-15, which represented an increase of 4% from $161.5 million the previous year. Insurance coverage during 2014-15 exceeded the Commission's target of $140 million. The dairy insurance plan saw total coverage remain stable while poultry coverage increased by just over 3% compared to the previous year. This increase was the result of increased marketing of products covered in the poultry plan compared to the previous year. Crop insurance coverage grew by 4% primarily due to increases in acreage in the apple, weather derivative (forage), soybean, and winter grain plans. Strong commodity prices also continued to contribute to higher coverage in 2014-15.

WHERE DO WE WANT TO BE IN THE FUTURE?

The Commission anticipates seeing modest growth next year in the level of coverage purchased by producers. Total insurance coverage is targeted to be in the range of $169 million dollars in 2015-16. Further substantive growth in coverage will be dependent on industry demand for the development of new insurance plans for crops such as grapes and a new vegetable acreage loss insurance plan expected to be offered in 2015-16.

TOTAL AGRI-FOOD EXPORTS, LESS SEAFOOD PRODUCTS AND FISHING[1]

The department promotes agri-food exports through participation in major international trade shows, incoming and outgoing buyer missions, media events and other initiatives.

WHAT DOES THE MEASURE TELL US?

This measure shows the dollar value of exports from Nova Scotia's agri-food industry (less seafood products and fishing). It compares this value to the target set for this fiscal year as well as to the value of the 2013-14 fiscal year.

WHERE ARE WE NOW?

The annual target for this fiscal year was $367 million. Nova Scotia's agri-food exports amounted to $310.2 million in 2014, a 13.6% decrease from the previous year ($358.8 million). The decline in export value was primarily due to the drop in mink prices in 2014. Mink ($44.8 million[2]) and blueberries ($108.0 million) continue to be Nova Scotia's leading exports, comprising 49% of total agri-food exports.

WHERE DO WE WANT TO BE IN THE FUTURE?

The department aims to increase export sales over the long-term. Agri-food exports have been on the rebound from the worldwide recession in 2010. The 10 year target, adopted by the ONE NS Commission, is to double agricultural exports by 2024 (Goal 15). Given the level of agricultural exports when the report was prepared for the Commission by Atlantic Province Economic Council (APEC), the 10 year target is $480 million.

VALUE OF AGRICULTURAL PRODUCTION[3]

Farm cash receipts estimate the agriculture sector's farm gate value (i.e. sales to buyers outside of the provincial agriculture sector), including direct payments and insurance proceeds that provide short-term income stabilization.

WHAT DOES THE MEASURE TELL US?

This measure shows the combined cash receipts for all farming operations in Nova Scotia and compares it to the target set for this fiscal year and to the value of previous fiscal

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[1] This measure is calculated using data from Statistics Canada, who include 'seafood products and fishing' as a subset of 'agri-food'. This measure de-couples the data to show only land-based agriculture and agri-food processing.

[2] Mink exports are estimated by NSDA; all other export data are from Statistics Canada.

[3] Data taken from NSDA data file DA09003 and CANSIM 002-0001.

year. It also compares Nova Scotia's current share of national level to that of the previous fiscal year.

WHERE ARE WE NOW?
The annual target for this fiscal year was $590 million. Receipts vary from year to year due to several factors, including variable growing and economic conditions, and the value of the Canadian dollar. In 2014, Nova Scotia's cash receipts from agricultural production totaled $567 million, making up 35% of the total receipts for the Maritimes. Nova Scotia's cash receipts decreased 5.5% from 2013, while the Maritimes decreased 2.2% and total Canadian farm cash receipts increased 4.6 % over 2013. The decline in farm cash receipts in Nova Scotia was mainly due to the drop in mink prices, however this was partially offset by greater farm milk, blueberry and nursery sales. Nova Scotia's share of the national level of farm cash receipts decreased slightly to in 2014 mainly due to increased livestock receipts (excluding mink) at the national level and a drop in mink sales in the province.

WHERE DO WE WANT TO BE IN THE FUTURE?
Although annual fluctuations are difficult to avoid, the department aims to grow or maintain agricultural market receipts at or close to these levels over the long term.

Economic Viability – Local Food Production and Consumption

LOCAL FOOD PRODUCTION
One of the local food goals of the Environmental Goals and Sustainable Prosperity Act (EGSPA) is to encourage local food production within the province of Nova Scotia.

WHAT DOES THE MEASURE TELL US?
This measure uses farm registration data to show the progress toward increasing the number of local farms relative to the number of local farms in 2012-2013 (the benchmark year), in which there were 2,606 farms registered within Nova Scotia.

WHERE ARE WE NOW?
Unfortunately, the number of farms registered in Nova Scotia has been declining since the benchmark year. In 2013-2014, this value decreased to 2572 registered farms in Nova Scotia. At the end of this fiscal year, there were 2550 farms registered in the province.

WHERE DO WE WANT TO BE IN THE FUTURE?
Providing support to encourage local food production will help to achieve the long-term goal of increasing the number of local farms by 5% by 2020, relative to the number of local farms in 2012. This means the long-term goal is to have 2,736 registered farms by 2020.

LOCAL FOOD CONSUMPTION

The other local food goal of the EGSPA is to encourage local food consumption within the province of Nova Scotia.

WHAT DOES THE MEASURE TELL US?

To measure the proportion of our food dollar that goes back to Nova Scotia Farms, a common proxy measure is used. This measure examines the farm cash receipts for food produced on Nova Scotia farms in relation to the money spent on food (excluding seafood) annually by Nova Scotians. In 2011-2012 (the benchmark year), this measure showed 13% of money spent on food by Nova Scotians being spent on locally produced food.

WHERE ARE WE NOW?

To date, there has been a steady increasing trend toward the long-term goal of 20% from 13% in the benchmark year. In 2012, this measure showed 14% of money spent on food by Nova Scotians was being spent on locally produced food. In 2013, this value increased to 16%. Given a release lag in the Statistics Canada data used to calculate this measure, 2013 is the most recent value that can be reported.

WHERE DO WE WANT TO BE IN THE FUTURE?

Providing support to encourage consumption of locally produced foods with the goal of 20 per cent of money spent on food by Nova Scotians being spent on locally produced food by 2020.

Appendix A

Annual Report under Section 18 of the *Public Interest Disclosure of Wrongdoing Act*

The following is a summary of disclosures received by the Department of Agriculture

Information Required under Section 18 of the Act	Fiscal Year 2014-2015
The number of disclosures received	0
The number of findings of wrongdoing	0
Details of each wrongdoing	N/A
Recommendations and actions taken on each wrongdoing	N/A